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*The Labor Movement.* By L. T. HOBHOUSE, M. A. Pp. 98. London: T. Fisher Unwin. New York: G. P. Putnam's Sons. 1893.

*Kritik des Socialismus.* Von LUDWIG FELIX. Pp. 117. Leipzig: Duncker & Humblot. 1893.

The purpose of Mr. Hobhouse's book is to show the relation between the various tendencies toward the collective control of industry in the interests of consumers, and the extent to which these tendencies may be regarded as the means of working out our social ideals. His conclusions are: (1) that trades-unionism, co-operative organizations of various forms, and municipal and State socialism are complementary and not in any sense antagonistic movements; (2) that they are all aiming at the same goal, namely, the collective control of industry in the interests of consumers, and in thus working are not only promoting the best interests of society in a general way, but are going to the very roots of the social question. His argument in brief is as follows: Our present industrial system is defective in three important particulars: (1) supply does not readily adjust itself to demand owing to the imperfect character of the means for the anticipation of demand by producers; (2) in the regulation of wages the law of supply and demand operates so slowly that wage-receivers frequently suffer from starvation wages for long periods of time, with the result that the standard of life and the efficiency of whole generations of workers are frequently permanently lowered; (3) the social surplus—total values minus total costs—now goes to the owners of natural advantages—in the form of rent and monopoly gains—and to those who have inherited capital. The organization of co-operative societies in both productive and distributive industries aims at bringing producers and consumers together, and thus constitutes a remedy for the first mentioned defect. The municipalization of certain industries also tends toward the same result. Trades-unionism is the remedy for the second evil. "It regulates the conditions of employment in the interests of all the workers. It puts the manual laborer on an equality with his employer in arranging terms, and accordingly it raises wages and diminishes hours of work. It effects general economy by eliminating incapable employers, and by raising the standard of comfort among workmen it is not only a direct benefit to them, but, by making them more efficient agents in production promotes the general health of the national industry" (p. 27). State and municipal socialism aim at the equitable distribution of the social surplus. The various forms of the "Labor Movement" according to Mr. Hobhouse, would deal far better with the main elements in the distribution of the national dividend than the forces of private enterprise and free competition. "The remuneration of the workers (of every kind) being fixed by the trades-unions in agreement

with the public at large, the surplus remaining would pass to the community for common purposes; the profits of enterprise going to communities of consumers, whether in the form of co-operative societies, municipal bodies, or the State; while rent and interest would go directly to the municipality or the nation. Thus each branch of the "Labor Movement" has its appropriate part of the general problem to work out, and united they give hope of a complete solution" (p. 79).

The mere statement of Mr. Hobhouse's propositions suggests the fundamental weakness of his book. He has idealized the reform movements of the present day, and expects from them much more than sound judgment based upon actual facts warrants. Even with the assistance of the specious arguments of which the book is full, it requires a vivid imagination to see how co-operative organizations of the sort common at the present day will ever solve the problem of over-production. Of the shortcomings of trades-unionism and the weakness and impracticability of socialism, Mr. Hobhouse seems unconscious. Of course, we all may share with him the hope that out of the present agitation in favor of reform some more or less adequate solution of our social problems will evolve, but it will require more and better evidence than is contained in this book to convince most people that we have yet hit upon the precise means by which this end is to be attained.

Mr. Felix's monograph is a good antidote to the book just reviewed. It constitutes the concluding portion of the fourth and last volume of his work on "*Entwickelungsgeschichte des Eigentums*." Owing to a necessary delay in the publication of this volume, and to a desire to give a wider circulation to his criticisms on socialism than his larger work is liable to secure, this part is given to the public separately in the form of a moderate sized pamphlet. The arguments and the conclusions contained in it may be regarded as the result chiefly of the author's investigations into the history of the development of property, and they are widely different from those to which Marx and others were led by precisely similar investigations.

Mr. Felix finds the socialists guilty of bad logic and of bad political economy, and the victims of imperfect knowledge and the misinterpretation of history. He admits at the outset that there is a vast amount of poverty and suffering in the world for which the immediate victims are not personally responsible, but he claims that from such facts the conclusion cannot be legitimately drawn that our present industrial system is fundamentally bad and wrong. In drawing such a conclusion he holds that the socialists overlook three great facts, namely: (1) that before this era of capitalistic production the condition of the masses was much worse than it is at the present day; (2) that changes in the

social and industrial environment, even for the better, necessarily involves suffering for individuals, and oftentimes for whole classes; and (3) that the best institutions are subject to abuse, and are always abused by imperfect men. The considerations employed in the establishment of these facts are followed by a critical examination of the charges brought by the socialists against our present industrial system and of the economic doctrines which they hold. Marx's theory of value, upon which most of their reasoning rests, is shown to lack both the support of facts and of sound reasoning. Their objections to interest, rent and profits fall with the theory upon which they are chiefly based, but are still more completely undermined in the sections treating of the unearned increment, the separation of the laborer from his tools, Marx's theory of surplus value, and the justification of profits. In the last chapter of the monograph Mr. Felix attacks the constructive side of socialism. The brief reign of socialism in France during the revolution is examined, and the query is raised whether the limitless and fearful despotism of that period would not be the necessary concomitant of any attempt to realize the ideals of socialists. Private property in land and the instruments of production is vigorously defended in this chapter as the necessary condition for the development of personality and the realization of freedom. "*Ohne Freiheit kein Eigentum, so ohne Eigentum keine Freiheit*" is the proposition. The danger to the family and consequently to morals and all healthy social development involved in socialism, is ably demonstrated in the concluding portions of this book.

The critical work done by Mr. Felix is on the whole quite satisfactory. He makes out a strong case against socialism, and does it in moderate space and with vigor. Most economists, however, will take exceptions to much that he says on the subjects of rent, interest and profits. Few will be willing to go as far as he does in his attempts to argue the unearned increment out of existence, and fewer still will be satisfied with his feeble attempts to bolster up the productivity theory of interest. Much that he says about profits is good, but he scarcely touches the main features of the problem.

W.M. A. SCOTT.

*Staatsschuldentilgung und Staatsbankerott.* By DR. ALOIS KÖRNER.

Pp. 104. Vienna, 1893.

*La Grèce Économique et Financière en 1893.* By DEM. GEORGIADES.

Pp. 144. Paris, 1893.

These two brochures might seem from their respective titles to be but slightly related. The first, however, is only the theoretic